

DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20350

SECNAVINST 4500.15
SUP 0322G

27 JUL 1982

SECNAV INSTRUCTION 4500.15

From: Secretary of the Navy

Subj: Disposal of Foreign Excess Personal Property (FEPP) for Substantial Benefits or the Discharge of Claims

- Ref: (a) DODI 4160.24, Subj: Disposal of Foreign Excess Personal Property for Substantial Benefits or the Discharge of Claims, 24 Jul 1981 (NOTAL)
- (b) DOD 4160.21-M, "Defense Utilization and Disposal Manual" of July 1979 (Stocked at NAVPUBFORMCEN, Phil. S/N 0526-LP-416-0340) authorized by DOD Directive 4160.21, 5 Dec 1980 (NOTAL)
- (c) DOD 4140.17-M Supplement No. 3, MILSTRIP "Defense European and Pacific Redistribution Activity (DEPRA) Procedures", 1 Sep 1978, (NOTAL) authorized by DOD Directive 4000.25, 12 Nov 1976 (NOTAL)

1. Purpose. To implement the policies and procedures of reference (a) and to assign responsibilities within the Department of the Navy for the disposal of foreign excess personal property (FEPP) for substantial benefits or the discharge of claims.

2. Applicability. This instruction is applicable to all Navy and Marine Corps Activities.

3. Definitions

a. Foreign Excess Personal Property. Any Department of Defense (DOD) property (excluding real estate; naval vessels of the following categories: battleships, cruisers, frigates, aircraft carriers, destroyers and submarines; and records of the Department of Defense) no longer required for the discharge of DOD's responsibilities, provided such property is located outside the 50 United States, the District of Columbia, Puerto Rico, American Samoa, Guam, the Trust Territories of the Pacific Islands, and the Virgin Islands.

b. Substantial Benefits. Nonmonetary benefits that are in the overall interest of the United States. The benefits must be tangible and appreciable in relation to the value of the foreign excess personal property being transferred.

4. Authority

a. The Federal Property and Administrative Services Act of 1949, as amended, provides that the Secretary of Defense may transfer foreign excess personal property to foreign countries for foreign currencies or credits,

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substantial benefits, or the discharge of claims resulting from the compromise or settlement of such claims by any executive agency in accordance with the law, whenever he/she determines that it is in the interest of the United States to do so.

b. The authority to approve disposal of FEPP for substantial benefits or the discharge of claims has been delegated to the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics).

5. Policy

a. Foreign excess personal property shall be eligible for disposal for substantial benefits or the discharge of claims after DOD utilization screening is accomplished.

b. The procedures cited in references (b) and (c) shall be followed to accomplish utilization screening.

c. Disposal of foreign excess personal property for substantial benefits or the discharge of claims shall be accomplished through use of a Memorandum of Understanding (MOU).

6. Procedures

a. Generally, excess property located at overseas installations is not generated in quantities which would warrant consideration of disposal for substantial benefits except in situations where the closure of the installation is involved.

b. The following procedures have been developed by MILSTRIP for utilization screening of base closure assets:

(1) Overseas installations will conduct a prompt inventory of all installation property as soon as a confirmed closure date is announced. This inventory will be stratified as follows:

(a) Mission essential property and property to be transferred with the mission.

(b) Not mission essential but required for local operations prior to the closure date.

(c) Excess to operational needs.

(2) Immediately after the inventory and, if time permits, not less than six months prior to the announced date of closure, all property that has been identified as excess to the needs of the installation will be reported for DOD utilization screening in accordance with reference (c).

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(3) In the event of accelerated base closure, an expedited termination of utilization screening may be requested in accordance with the provisions of paragraph 8-9 of reference (c).

(4) All property authorized for disposal by the inventory managers and that excess property which is not reportable for utilization screening by virtue of its extended dollar value and condition, plus locally purchased non-stock numbered items, will be disposed of in accordance with agreements between the United States and the host country. One of these agreements may be a MOU providing for transfer of such property to the host country for substantial benefits.

c. The MOU should be prepared with the assistance of and in coordination with local U.S. State Department representatives and contain the following:

(1) A listing of the items and their estimated fair market value.

(2) The tangible nonmonetary benefits accruing to the United States in exchange for the property.

(3) The identification of claims, if any, which will be settled.


(4) The mandatory restrictions on ultimate destination/use and disposition of the property as required by Chapter XVI of reference (b).

d. A draft of the MOU, with justification and supporting documentation, will be forwarded expeditiously through command channels to the Assistant Secretary of the Navy (Shipbuilding and Logistics). If that office concurs that disposal for substantial benefits is in the best interest of the United States, it will be forwarded to the Assistant Secretary of Defense (MRA&L) for approval.

e. Upon notification of approval by the Assistant Secretary of Defense (MRA&L) the MOU should be executed and the property transferred, in place, to the Defense Property Disposal Office for disposition under the MOU in accordance with the schedule for base closure.

f. MOUs for disposal of FEPP for substantial benefits under other circumstances than base closure will be processed in the same manner as prescribed above after completion of DOD utilization screening of the excess property in accordance with reference (c).

Distribution:
(see next page)


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ASSISTANT SECRETARY OF THE NAVY
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